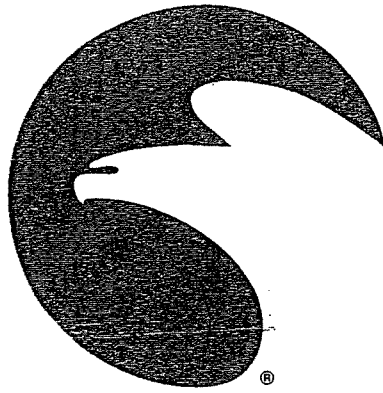


EXHIBIT B



COLONIAL

Human Resources Policies

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CHAIRMAN'S STATEMENT

Dear Employee:

Colonial BancGroup is a \$15 billion bank holding company headquartered in Montgomery, Alabama operating more than 260 offices in Alabama, Florida, Georgia, Nevada, Tennessee and Texas. Colonial is the fifth largest bank headquartered in Alabama and our common stock is traded on the New York Stock Exchange under the symbol CNB. The company offers a complete line of commercial and retail banking products, as well as cash management services, electronic banking services, credit card and merchant services and wealth management services.

Since 1981, Colonial Bank, a subsidiary of Colonial BancGroup, has strategically expanded our presence into six states and developed a broad base of financial products and services for individuals and businesses. Colonial's assets have grown from \$166 million in 1981 to over \$15 billion. In that same period, over 60 community banks have been acquired and merged into Colonial, integrating them into a structure that contributes to Colonial's community banking philosophy of Financial Strength in Local Hands. Colonial has met our long-term goal of establishing a strong banking presence in substantially diverse, both geographically and demographically, markets.

When addressing the questions of why someone should choose Colonial for their banking needs, as an investment or as an employer, the answer is threefold: the diversity of an ever-expanding array of financial and banking services; the success we have experienced in high-growth markets; and an outstanding group of people who make it all work.

Now that you are a member of our team, you will see that Colonial has an endless focus on people. One quality that helps Colonial through the "ups and downs" of the banking business is our employees' ability to focus on their customers' success and to form long-lasting relationships. In fact, Colonial strives to be a local bank in the eyes of our customers even though we are a bank holding company spread throughout six states. Our primary focus is to empower the men and women of Colonial to make decisions at their local level. Because markets differ widely, customers require different answers and solutions to their financial needs.

Colonial has also been exploring new ground internally, developing new strategies, services and products to meet our customers' ever changing needs. Wealth Management products and services, Cash Management Services, International Banking and Electronic Banking are just a few of the areas that are currently being emphasized. These and other services continue to be addressed with an eye toward both businesses and individuals, tailoring services to our customers' financial needs.

Our relationship approach to business has served Colonial well in the past and will serve the company even better going forward into an environment that is becoming more competitive every day. We are committed to making strategic investments in the tools our people need to optimize our customers' financial success and to creating relationships, not just selling services. We believe banking is still a "people business." The quality of our people and their dedication to service and the customer is what separates us from other banks of any size.



Sincerely,

Robert E. Lowder
Chairman of the Board,
CEO and President

INTRODUCTION

All employees are to know and understand the policies and procedures of Colonial contained in this handbook. **This handbook and other statements of Colonial policy are prepared for informational purposes only and do not constitute a contract between Colonial and its employees and should not be construed as such.** The policies of Colonial may be changed or amended at any time, with or without notice, unless dictated otherwise by statute. **Employment by Colonial is not for a definite term and may be terminated by Colonial or the employee at any time, for any reason.** No representative of Colonial has any authority to enter into any agreement for employment for any specified period of time or to make any agreement inconsistent with this acknowledgment without advance approval from the Chairman & CEO of Colonial BancGroup. To be valid, any such agreement must be in writing, designated as an employment agreement and signed by the Chairman & CEO of Colonial BancGroup or Regional President/CEO of Colonial.

EQUAL EMPLOYMENT OPPORTUNITY (EEO)

It is the policy of Colonial to provide equal opportunity in employment to all employees and candidates for employment. No person shall be discriminated against in employment because of such individual's race, religion, color, sex, age, national origin, marital status, disability, veteran or citizenship status.

This policy applies to all terms, conditions, and privileges of employment, including hiring, probation, training and development, promotion, transfer, compensation, benefits, educational assistance, layoff, social and recreational programs, termination and retirement.

Colonial has developed written Affirmative Action Plans to achieve prompt and full utilization of minorities, the disabled and disabled veterans and women at all levels and in all segments of the work force. The results of the Plan are reviewed annually and the Plan modified as may be necessary to achieve stated objectives.

The Human Resources Director has been appointed director of equal employment opportunity programs for Colonial and will be responsible for formulating, implementing, coordinating and monitoring all efforts in the area of equal employment opportunity.

Any communication from an applicant for employment, an employee, a government agency or an attorney concerning any equal employment opportunity matter shall be referred immediately to the Human Resources Director.

This policy has the complete endorsement of all management.

DIVERSITY STATEMENT

Colonial believes that diversity in our work force enriches our services and products, the communities in which we live and work, and the lives of our employees. As our work force evolves to reflect the growing diversity of our communities, our efforts to understand, value and incorporate differences become increasingly important. Our goal is to create an inclusive environment that draws upon the strength of our diverse work force to exceed the expectations of our customers.

HARASSMENT AND DISCRIMINATION FREE WORK PLACE

Colonial does not authorize and will not tolerate any form of discrimination or harassment of or by any employee (i.e. supervisory or non-supervisory) or non-employee based on race, sex, religion, color, national origin, age, veteran status, disability or any other factor protected by law. An employee's race, sex, religion, color, national origin, age, disability, veteran status or any other factor protected by law, may not be considered as a basis for making any employment decisions regarding the employee, including, but not limited to, any decisions relating to hiring, promotion, training, job assignments, compensation, discipline, discharge, and other terms and conditions of employment.

The term "harassment" includes, but is not limited to, offensive language, jokes, or other verbal, graphic or physical conduct; or intimidating, threatening or offensive behavior relating to an employee's race, sex, religion, color, national origin, age, disability, veteran status or other factors protected by Colonial's EEO policy and law which would make the reasonable person experiencing such harassment uncomfortable in the work environment or which could interfere with the person's job performance.

This policy applies to every employee at Colonial, both management and non-management. It is Colonial policy that all employees have a right to work in an environment free of discrimination, which encompasses freedom from any form of harassment. This includes the behavior of peers, superiors, subordinates, customers and visitors to the premises. Such conduct by an employee may result in disciplinary action up to and including dismissal.

Sexual Harassment

Although it is not the only type prohibited, the most common form of harassment relates to sexual harassment. Specifically, no supervisor may threaten or insinuate, either explicitly or implicitly, that an employee's submission to or rejection of sexual advances will in any way influence any personnel decision regarding that employee's employment, evaluation, wages, advancement, assigned duties, work hours, or any other condition of employment or career development.

Sexual harassment may be overt or subtle. Some behavior that is appropriate in a social setting may not be appropriate in the work place. Sexual harassment does not refer to behavior or occasional compliments of a socially acceptable nature. It refers to behavior that is unwelcome and offensive and which affects an individual's employment or work conditions.

Some examples of conduct that may constitute sexual harassment include: (a) making unwelcome sexual flirtations, advances, requests for sexual favors or other verbal, visual or physical conduct of a sexual nature a condition of employment; or (b) creating an intimidating, hostile or offensive working environment by such conduct as:

- sexual innuendo or sexually suggestive comments – including but not limited to – sexually oriented "kidding", "teasing" or "practical jokes"; jokes about gender specific traits, foul or obscene language or gestures;
- subtle or direct pressure or request for sexual activities;

- unnecessary touching of an individual, such as pinching, patting or brushing up against another's body;
- graphic verbal comments about an individual's body or appearance;
- sexually degrading words used to describe an individual;
- the reading or displaying in the work place of sexually suggestive or revealing words, objects or pictures;
- sexually explicit or offensive jokes;
- physical assault; or
- other explicit or implied conduct of a sexual nature which relates to or affects an individual's employment.

No employee, supervisor, manager or other person, whether employed by Colonial or not, shall threaten or suggest that an employee's refusal to submit to sexual harassment will adversely affect that person's employment, work status, evaluation, wages, advancement, assigned duties, hours of work or any other terms or conditions of employment. Similarly, no employee – regardless of job title – shall promise, imply or grant any preferential treatment in return for another employee's acceptance of conduct that is sexually harassing.

Other Harassment

Statements, behavior or the display or use of words, objects or pictures that others could interpret as being insulting, derogatory or slurs towards persons based upon their race, color, national origin, religion, sex, age, disability, veteran status or any other factor protected by law are also prohibited by this policy. Also prohibited are statements or actions that are threatening, intimidating, vulgar or hostile. Such conduct may make a reasonable person uncomfortable in the work environment or could interfere with any employee's ability to perform his or her job, regardless of whether the actions are from a fellow employee, supervisor, customer or visitor.

Comments or actions of this type, even if intended as a joking matter among friends, are always inappropriate in the work place and will not be tolerated. The conduct forbidden by this policy specifically includes, but is not limited to (a) epithets, slurs, negative stereotyping, kidding, teasing, joking or intimidating acts that are based on a person's protected status, and (b) written or graphic material circulated within the work place that shows hostility toward a person or group because of person's protected status or characteristic(s).

No employee should participate in such behavior and every supervisor or manager must take immediate action to stop those that are known to be or suspected of being involved in such conduct. The supervisor must also contact and report the information to the Human Resources Director.

How to Report Instances of Alleged Discrimination or Harassment

An employee who has a complaint or concern relating to any form of discrimination or harassment, or abusive, taunting or demeaning behavior, including concerns about such conduct from non-employees, should report the conduct to their Regional Human Resources Director or the Corporate Human Resources Director. All employees should report any such behavior or concerns to Human Resources even if the behavior complained of is not directed toward the employee who reports it.

How Colonial Will Investigate Complaints or Instances of Alleged Discrimination or Harassment

Colonial will investigate complaints or instances of alleged discrimination or harassment in a timely and confidential manner. The investigation will be conducted as impartially and confidentially as possible. In no event will information concerning a complaint be voluntarily released by Colonial to third parties or to anyone within Colonial who does not have a business need to know or who is not involved with the investigation. At the conclusion of the investigation, Colonial officials will advise the complaining employee of the results of the investigation and preventative or remedial actions to be taken, if any.

Investigation of a complaint and/or instance of alleged harassment or discrimination will normally include conferring with the parties involved and any named or apparent witnesses. Employees shall be given impartial and fair treatment. All employees, as a condition of their employment, are required and agree to cooperate fully with any investigations, including disclosing all facts and evidence and identifying all witnesses and acts of wrong doing.

If it is determined that an instance of harassment or discrimination occurred, Colonial will take appropriate disciplinary action against the offender based on the severity of the harassment and individual's employment history. Disciplinary action may include a written warning, suspension, demotion and/or termination of employment.

No Retaliation

It is also a violation of policy for anyone to retaliate, threaten or seek any type of reprisal against an individual who reports discrimination or harassment or who participates or cooperates in an investigation regarding discrimination or harassment. If an employee believes that reprisal, intimidation or retaliation has occurred, it should immediately be reported to his/her Regional Human Resources Director or the Corporate Human Resources Director. Anyone who feels that Colonial has not met its obligations under this policy should contact Human Resources.

Any employee who knowingly makes false statements is subject to disciplinary action, up to and including termination.

WORK PLACE VIOLENCE POLICY

Colonial has a policy of zero-tolerance for work place violence, verbal and nonverbal threats and related actions. Colonial places as much emphasis on employee safety as it does for its customers. This policy applies to all employees, managers, supervisors, vendors, contractors and visitors.

Employees are required to report all assaults or threats immediately to the nearest supervisor or manager. At the first opportunity, an employee should notify their Regional Human Resources Director or the Corporate Human Resources Director of the threat. The report will be kept confidential to the extent possible and employees are assured that no reprisals will be taken against any employee who reports or experiences work place violence or threats. Employees who are victims of work place violence or threats are encouraged to file formal charges with local law enforcement. Colonial may also file charges when the factual circumstances dictate.

Colonial is dedicated to provide comprehensive treatment for victimized employees as well as employees who have witnessed a work place violence incident. This will include prompt medical evaluation and treatment, as appropriate, as well as counseling. Any medical evaluations, treatments and counseling will be kept confidential.

Colonial believes that preparation and prevention are integral parts of this policy. Where indicated and appropriate, changes and improvements have been made to facilities to enhance security. In furtherance of these efforts, Colonial invites employee suggestions regarding additional safety and security measures and practices. Please direct any such suggestions to a representative of Human Resources.

ALCOHOL AND DRUG FREE WORK ENVIRONMENT POLICY

The goal of Colonial is to provide customers with the highest level of service and our employees are key to the achievement of this goal. Increased awareness of the cost of alcohol and drug use and abuse in the work place and concern for the well-being of our employees have compelled Colonial to define our stand on employee alcohol and drug use. Colonial requires all employees to report to work without being under the influence of any alcohol, illegal or mind-altering substances nor should any employee report to work with any illegal substance in his/her system. Colonial also will not tolerate employees using, possessing, manufacturing, distributing, or making arrangements to distribute illegal drugs while at work or on Colonial property. Employees should inform their supervisor when they are taking prescribed medication, which might affect their ability to work.

The policy objectives are as follows:

1. To create and maintain a safe, drug-free work environment for all our employees.
2. Reduce the likelihood of incidents of accidental personal injury and/or damage to Colonial property.
3. Reduce problems of absenteeism, tardiness and/or other unsatisfactory matters related to job performance.
4. Provide assistance through Colonial's Employee Assistance Program to any employee who seeks help in overcoming dependence on, or addiction to, alcohol or other drugs.

AWARDS

Spirit of the Eagle Award

Colonial recognizes a deserving employee each quarter by presenting the Spirit of the Eagle Award. This award is given to the employee, who by his/her outstanding job performance, service to customers, and dedication to Colonial, best exemplifies the Colonial Spirit. Employees may be nominated for this award by their coworkers or supervisor.

Service Awards

Colonial recognizes an employee's length of service with Colonial by presenting service awards. The awards are given to employees on completion of three years of service, five years of service and on five-year intervals going forward.